

**CAMERON PARISH AMBULANCE  
DISTRICT NO. 2**

**Financial Statements**

**December 31, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 13 2014

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
CAMERON PARISH, LOUISIANA**

**Table of Contents**

	<b>PAGE</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>2-4</b>
<b>INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS</b>	<b>5-6</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9-10
Notes to Financial Statements	11-18
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Compensation Paid Board Commissioners	20
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>21-22</b>
<b>SCHEDULE OF FINDINGS</b>	<b>23</b>
<b>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</b>	<b>24</b>
<b>MANAGEMENT LETTER</b>	<b>25</b>
<b>MANAGEMENT'S CORRECTIVE ACTION PLAN</b>	<b>26</b>

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2013**

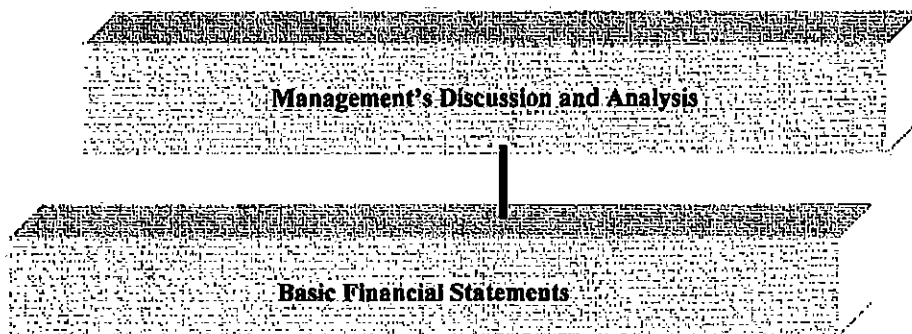
The Management's Discussion and Analysis of the Cameron Parish Ambulance District No. 2's financial performance presents a narrative overview and analysis of the Cameron Parish Ambulance District No. 2's financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

**FINANCIAL HIGHLIGHTS**

- The Cameron Parish Ambulance District No. 2's assets exceeded its liabilities at the close of the fiscal year 2013 by \$3,798,145. Of this amount, \$2,547,782 may be used to meet the Cameron Parish Ambulance District No. 2's ongoing obligations to its users.
- The Cameron Parish Ambulance District No. 2's operating revenue decreased \$21,655 and the net operating income decreased by \$161,119 from prior year. The income decrease was due to decreased patient service revenues. The operating expenses increase was due to increases in insurance, dispatch services, pension expenses and salaries. The change in net position decreased by \$229,579.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2013**

**Basic Financial Statements**

The basic financial statements present information for the Cameron Parish Ambulance District No. 2 as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Cameron Parish Ambulance District No. 2 is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (page 8) presents information showing how the Cameron Parish Ambulance District No. 2's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 9-10) presents information showing how the Cameron Parish Ambulance District No. 2's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Summary of Net Position		
	2013	2012
<b>Assets:</b>		
Current Assets	\$ 4,135,520	\$ 3,714,701
Capital Assets	1,250,363	1,330,947
Total Assets	5,385,883	5,045,648
Deferred outflows of resources	-	-
<b>Liabilities:</b>		
Current Liabilities	260,586	220,661
Long-Term Liabilities	1,327,152	1,105,960
Total Liabilities	1,587,738	1,326,621
Deferred inflows of resources	-	-
<b>Net Position:</b>		
Capital Net of Debt	1,250,363	1,330,947
Unrestricted	2,547,782	2,388,080
Total Net Position	\$ 3,798,145	\$ 3,719,027

**CAMERON PARISH AMBULANCE DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Operating Revenues	\$ 127,795	\$ 149,450
Operating Expenses	<u>(2,266,401)</u>	<u>(2,126,937)</u>
Net Operating Income/(Loss)	<u>(2,138,606)</u>	<u>(1,977,487)</u>
Non-operating Revenues	2,218,574	2,388,731
Non-operating (Expenses)	<u>(849)</u>	<u>(102,546)</u>
Net Non-operating Income/(Loss)	<u>2,217,725</u>	<u>2,286,185</u>
Change In Net Position	<u>\$ 79,119</u>	<u>\$ 308,698</u>

Operating Revenues consist of patient service revenue. Operating Expenses consist mainly of depreciation, insurance, and salaries and employee benefits expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2013, the Cameron Parish Ambulance District No. 2 had \$1,250,363, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, equipment, and ambulances. Construction in Progress at December 31, 2013, consists of improvements to the Johnson Bayou substation (See Table Below). This amount represents a net decrease (including additions and deductions) of \$80,584 over last year.

	<u>2013</u>	<u>2012</u>
Ambulance	\$ 804,928	\$ 804,928
Construction In Progress	4,228	-
Buildings	1,038,656	1,038,656
Vehicles	25,453	25,453
Other Property and Equipment	653,274	486,742
Less: Accumulated Depreciation	<u>(1,276,176)</u>	<u>(1,024,832)</u>
Totals	<u>\$ 1,250,363</u>	<u>\$ 1,330,947</u>

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Cameron Parish Ambulance District No. 2's finances and to show the Cameron Parish Ambulance District No. 2's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Darla B. Perry, CPA, Cameron Parish Ambulance District No. 2.

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**INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
Cameron Parish Ambulance District No. 2  
Hackberry, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities of the Cameron Parish Ambulance District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to in the above present fairly, in all material respects, the respective financial position of the governmental activities of the Cameron Parish Ambulance District No. 2 as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of the Cameron Parish Ambulance District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cameron Parish Ambulance District No. 2's internal control over financial reporting and compliance.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPA, LLC*

Sulphur, Louisiana  
June 30, 2014

**Cameron Parish Ambulance District No. 2**  
**Statement of Net Position**  
**December 31, 2013**  
**with comparative totals for 2012**

**Assets**

	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,979,876	\$ 1,113,301
Patient accounts receivable, net (Note 4)	28,920	51,784
Theft loss receivable (Note 11)	34,997	163,186
Ad valorem tax receivable (Note 7)	2,003,215	2,294,243
Prepaid expenses	47,475	44,208
Inventory	41,037	47,979
Total Current Assets	<u>4,135,520</u>	<u>3,714,701</u>
<b>Plant, Property, and Equipment (Note 8)</b>		
Ambulances	804,928	804,928
Construction in progress	4,228	-
Vehicle	25,453	25,453
Buildings	1,038,656	1,038,656
Other property and equipment	653,274	486,742
Accumulated depreciation	<u>(1,276,176)</u>	<u>(1,024,832)</u>
Total Plant, Property, and Equipment	<u>1,250,363</u>	<u>1,330,947</u>
<b>Total Assets</b>	<u>5,385,883</u>	<u>5,045,648</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>

**Liabilities and Net Position**

<b>Current Liabilities</b>		
Accounts payable	\$ 49,538	\$ 7,996
Payroll taxes payable	68,265	65,480
Accrued liabilities (Note 9)	66,701	69,481
Ad valorem deductions	<u>76,082</u>	<u>77,704</u>
Total Current Liabilities	<u>260,586</u>	<u>220,661</u>
<b>Long Term Liabilities</b>		
Deferred tax revenue (Note 7)	<u>1,327,152</u>	<u>1,105,960</u>
Total Liabilities	<u>1,587,738</u>	<u>1,326,621</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Capital assets, net of related debt	1,250,363	1,330,947
Unrestricted	<u>2,547,782</u>	<u>2,388,080</u>
Total Net Position	<u>\$ 3,798,145</u>	<u>\$ 3,719,027</u>

The accompanying notes are an integral part of these financial statements.



**Cameron Parish Ambulance District No. 2**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For The Year Ended December 31, 2013**  
**with comparative totals for 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating Revenues:</b>		
Net patient service revenues	\$ 127,795	\$ 148,342
Other Income	-	1,108
	<u>127,795</u>	<u>149,450</u>
<b>Operating Expenses:</b>		
Advertising and promotional	1,348	39
Bank charges and credit card fees	441	330
Contracted services	-	2,750
Depreciation	251,344	253,500
Dispatch services	40,004	-
Dues and subscriptions	860	310
Employee retirement	168,019	153,257
Employee drug cost	224	1,179
Fuel	20,717	19,810
Insurance	454,651	403,057
Office expenses	9,112	11,432
Other expenses	9,858	-
Payroll taxes	15,595	15,017
Pension deduction - ad valorem	76,082	77,704
Professional fees	78,599	64,752
Repairs and maintenance	31,715	38,452
Salaries	1,017,621	1,004,932
Station supplies	38,470	29,229
Taxes and licenses	1,881	2,614
Telephone and utilities	44,924	44,443
Travel and auto	95	190
Uniforms	4,841	3,940
Total Operating Expenses	<u>2,266,401</u>	<u>2,126,937</u>
<b>Operating Income (Loss)</b>	<b>(2,138,606)</b>	<b>(1,977,487)</b>
<b>Non-operating Income (Expenses)</b>		
Ad valorem taxes	2,209,690	2,381,788
Federal revenue sharing	-	6,940
State grant	6,882	-
Other income	2,002	-
Interest income	-	3
Uncollectible Theft Loss	(849)	(102,546)
Total Non-Operating Income (Expenses)	<u>2,217,725</u>	<u>2,286,185</u>
<b>Change in Net Position</b>	<b>79,119</b>	<b>308,698</b>
<b>Net Position at Beginning of Year</b>		
As Originally Reported	3,719,027	3,376,445
<b>Prior Period Adjustment</b>	<u>-</u>	<u>33,884</u>
<b>Net Position at Beginning of Year</b>		
As Restated	<u>3,719,027</u>	<u>3,410,329</u>
<b>Net Position at End of Year</b>	<b>\$ <u>3,798,146</u></b>	<b>\$ <u>3,719,027</u></b>

The accompanying notes are an integral part of these financial statements.

**Cameron Parish Ambulance District No. 2**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2013**  
**with comparative totals for 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from and on behalf of patients	\$ 150,659	111,604
Payments to suppliers and other operating expenses	(939,091)	(988,739)
Payments to employees	(1,033,216)	(1,006,067)
Other receipts and payments, net	<u>128,189</u>	<u>127,703</u>
Net Cash (Used) by Operating Activities	(1,693,459)	(1,755,499)
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Ad valorem taxes	2,721,910	2,538,697
Federal revenue sharing	-	6,940
LHA grant reimbursement	6,882	-
Other reimbursement	<u>2,002</u>	<u>-</u>
Net Cash Provided By Non-Capital Financing Activities	2,730,794	2,545,637
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Construction in progress	(4,228)	-
Purchase of plant, property and equipment	<u>(166,532)</u>	<u>(150,635)</u>
Net Cash (Used) by Capital and Related Financing Activities	(170,760)	(150,635)
<b>Cash Flows From Investing Activities:</b>		
Interest income	<u>-</u>	<u>3</u>
Net Increase in Cash and Cash Equivalents	866,575	639,506
Cash and Cash Equivalents at Beginning of Year	<u>1,113,301</u>	<u>473,795</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,979,876</u></u>	<u><u>\$ 1,113,301</u></u>

**Cameron Parish Ambulance District No. 2**  
**Statement of Cash Flows (continued)**  
**For the Year Ended December 31, 2013**  
**with comparative totals for 2012**

	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Operating Income (Loss) to Net</b>		
<b>Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (2,138,606)	\$ (1,977,487)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	251,344	253,500
Uncollectible portion of theft loss	(849)	(102,546)
(Increase) decrease in inventory	6,942	(6,366)
(Increase) decrease in patient receivable	22,864	(37,846)
(Increase) decrease in theft loss receivable	128,189	127,703
(Increase) decrease in prepaid expenses	(3,267)	(5,197)
Increase (decrease) in accounts payable	41,542	(27,945)
Increase (decrease) in accrued liabilities	(2,780)	13,996
Increase (decrease) in payroll taxes payable	2,785	(114)
Increase (decrease) in ad valorem deduction	(1,623)	6,803
Net Cash (Used) by Operating Activities	\$ <u>(1,693,459)</u>	\$ <u>(1,755,499)</u>

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements December 31, 2013

#### **Note 1 – Organization and Summary of Significant Accounting Policies**

The Cameron Parish Ambulance District No. 2 (the "District") is a component unit of the Cameron Parish Police Jury. The District operates ambulance services in the Hackberry, Johnson Bayou, Grand Lake, and Big Lake communities in Cameron Parish.

As the governing authority of the Parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for the Ambulance District. Accordingly, the Ambulance District was determined to be a component unit of the Cameron Parish Police Jury based on GASB statement No. 14, *The Financial Reporting Entity*. The accompanying financial statements present only the Ambulance District.

The accounting policies of Cameron Parish Ambulance District No. 2 conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of the more significant policies:

#### **A. Fund Accounting**

The accounts of the District are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

#### **B. Basis of Accounting**

The District has implemented GASB Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The District's statements of net position and revenues, expenses, and changes in fund net position are presented using the economic resources measurement focus and the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the entity's ongoing operations. The principal operating revenues of the District are charges for ambulance services. Operating expenses include the cost of salaries, depreciation, insurance and station supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements December 31, 2013

#### Note 1 – Organization and Summary of Significant Accounting Policies (continued)

November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Board has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

#### C. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### D. Cash and Cash Equivalents

For purpose of the statements of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

#### E. Patient Accounts Receivables and Allowance for Uncollectible Accounts

Patient accounts receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Patient accounts receivables are written-off when deemed uncollectible. Recoveries of patient accounts receivables are recorded as income when received.

#### F. Inventories

Inventories are valued at the latest invoice price, which approximated the lower of cost (first-in, first-out) or market.

#### G. Capital Assets

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets, equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The following estimated useful lives are generally used:

Ambulance	5 years
Furniture and Equipment	3-10 years
Buildings	30 years

#### H. Net Patient Service Revenues

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreement with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the future periods as final settlements are determined.

## **CAMERON PARISH AMBULANCE DISTRICT NO. 2**

### **Notes to Financial Statements December 31, 2013**

#### **Note 1 – Organization and Summary of Significant Accounting Policies (continued)**

##### **I. Operating Revenues and Expenses**

The District's statements of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care service, the District's principal activity. Non-Exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financial costs.

##### **J. Income Taxes**

The District is a political subdivision and exempt from taxes.

##### **K. Risk Management**

The District is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters.

##### **L. Environmental Matters**

The District is subject to laws and regulations relating to the protection of the environment. The District's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the District. At December 31, 2013, management is not aware of any liability resulting from environmental matters.

##### **M. Comparative Totals**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

#### **Note 2 – Net Patient Services Revenue**

The Ambulance District has agreements with third-party payers that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare – Covered ambulance services are paid based on a fee schedule.

Medicaid – Covered ambulance services are paid based on a fee schedule.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements

December 31, 2013

#### Note 2 – Net Patient Services Revenue (continued)

these agreements included prospectively determined rates per ambulance trip, discount on charges, and prospectively determined rates.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

#### Note 3 – Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2013, the District has cash and cash equivalents (book balances) totaling \$1,979,876. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount with the fiscal agent at all times.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2013, the District had \$1,980,534 in deposits (collected bank balances). These deposits were secured by \$250,000 of federal deposit insurance and \$1,730,534 pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand.

#### Note 4 – Patient Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2013, are as follows:

<u>Patient Accounts Receivable</u>	
	2013
Receivables from patients, insurance carriers, Medicare and Medicaid	\$ 28,920
Less allowance for uncollectible amounts	-
Patient accounts receivable, net	<u>\$ 28,920</u>

No provision has been made for bad debt expense at December 31, 2013.

#### Note 5 – Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2013 include amounts from Medicare, Medicaid, and other third-party payers.

## CAMERON PARISH AMBULANCE DISTRICT NO. 2

### Notes to Financial Statements December 31, 2013

#### Note 6 – Levied Taxes

The District has an authorized tax millage of 13.87 mills for general maintenance and operation of the District. The total tax levied was \$2,243,060 on assessed property valued at \$170,543,454.

The following is a schedule of the 2013 property tax calendar that is applicable to the District:

1. Levy date – October 2013
2. Billing date – November 2013
3. Collection dates – December 2013 – January 2014
4. Due dates – on receipt
5. Delinquent date – December 31, 2013
6. Lien date – February 2014

#### Note 7 – Ad Valorem Taxes

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish.

Ad valorem tax receivable reported as current assets by the Ambulance District at December 31, 2013, are as follows:

<u>Ad Valorem Tax Receivable</u>	
	2013
Ad valorem taxes	\$ 2,044,097
Less allowance for uncollectible amounts	40,882
Ad valorem tax receivable, net	<u>\$ 2,003,215</u>

Ad valorem taxes receivable are stated net of an allowance for uncollectible accounts. The district estimated the allowance based on its historical experience of the relationship between the total taxes levied and the actual amounts collected. The allowance for doubtful accounts was \$40,882 and \$47,428 at December 31, 2013 and 2012, respectively.

The \$1,327,152 represents six of the ten years of ad valorem taxes that Sabine Pass would pay from 2019 to 2028 but given to the District to expedite the District's hurricane recovery process. These funds are recorded as deferred revenue and will not be recognized as revenue until 2018.



# **CAMERON PARISH AMBULANCE DISTRICT NO. 2**

## **Notes to Financial Statements** December 31, 2013

### **Note 7 - Ad Valorem Taxes (continued)**

The following are the principal taxpayers for the parish and their 2013 assessed valuation (amounts expressed in thousands):

	2013	
	<u>Assessed Valuation</u>	<u>Percent</u>
Kinder Morgan Louisiana Pipeline, LLC	\$ 18,673,070	10.95%
Natural Gas Pipeline	16,986,270	9.96%
Gulfport Energy Corporation	8,006,799	4.69%
Northstar Offshore Group, LLC	7,219,848	4.23%
Hilcorp Energy Company	7,057,934	4.14%
Apache Corporation	6,475,820	3.80%
Transcontinental Gas Pipeline	6,158,520	3.61%
Moran Towing of Lake Charles, LLC	5,576,010	3.27%
Citgo Petroleum Co.	5,095,615	2.99%
Tennessee Gas Pipeline Co.	4,659,620	2.73%
	<u>\$ 85,909,506</u>	<u>50.37%</u>
Remaining taxpayers	84,633,948	49.63%
Total assessed value	<u>\$ 170,543,454</u>	<u>100.00%</u>

### **Note 8 - Capital Assets**

Additions and deletions to property, plant, and equipment for the year ended December 31, 2013 were as follows:

	<u>Balance</u> <u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u>
Ambulance	\$ 804,928	\$ -	\$ -	\$ 804,928
Buildings	1,038,656	-	-	1,038,656
Vehicles	25,453	-	-	25,453
Other Property and Equipment	486,742	166,532	-	653,274
Construction in Progress	-	4,228	-	4,228
Total	<u>2,355,779</u>	<u>170,760</u>	<u>-</u>	<u>2,526,539</u>
Less Accumulated Depreciation	<u>(1,024,832)</u>	<u>(251,344)</u>	<u>-</u>	<u>(1,276,176)</u>
Capital Assets, net	<u>\$ 1,330,947</u>	<u>\$ (80,584)</u>	<u>\$ -</u>	<u>\$ 1,250,363</u>

Depreciation expense for the year ending December 31, 2013 totaled \$251,344.

## **CAMERON PARISH AMBULANCE DISTRICT NO. 2**

### **Notes to Financial Statements December 31, 2013**

#### **Note 9 – Compensated Absences**

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2013 totaled \$66,701, which is included in accrued liabilities on the statement of net position.

#### **Note 10 – Pension Plan**

##### **Plan Description**

Substantially all full time employees of the District are members of the Parochial Employees Retirement System of Louisiana System. The System is composed of one distinct plan, Plan A. Participating employees of the District are members of Plan A. All full time permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0 percent of their final-average monthly salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (504) 928-1361.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year.

##### **Funding Policy**

The Plan A fund is financed by employee contributions of 9.5% for 2013 and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. The Actuarial Committee has determined that the employer contribution rate for 2013 was 16.75%. The actuarial cost method used for Plan A is the aggregate actuarial cost method with allocation based on earnings. The District's contributions to the System under Plan A for the years ending December 31, 2013 and 2012 were \$168,019 and \$153,257 respectively, equal to the required contributions for each year.

#### **Note 11 – Contingencies/Litigation**

In April 2010, the FBI seized the District's accounting records subsequent to the occurrence of defalcation and fraud committed by the former Executive Director and certain other parties associated with the District's monthly accounting function. More records were seized in July 2010 and most of these records have not been returned as the investigation has not concluded.

It has been determined, that for the years 2005 through 2010, a total of \$386,030 was paid in excess salaries and compensation to the former Executive Director, and in fraudulent amounts to the employees of the accounting firm hired by the District to perform its accounting and financial duties. A substantial amount of the theft of the District funds and the

## **CAMERON PARISH AMBULANCE DISTRICT NO. 2**

### **Notes to Financial Statements December 31, 2013**

#### **Note 11 – Contingencies/Litigation (continued)**

excess compensation to the District Director began and occurred in the first quarter of 2010.

A formal suit had been filed by the Cameron Parish District Attorney on behalf of the District to handle litigation to recover these missing funds. The District received a letter from the Cameron Parish District Attorney on January 25, 2013. Settlement funds were received and available for deposit. A total of \$248,487 was received by the parties associated with the fraud, reducing the amount owed to the District to \$34,997. The remainder, \$102,546, will not be collected by the District, and is considered unrecoverable.

#### **Note 12 – Subsequent Events**

The District has a construction commitment at December 31, 2013 consisting of improvements for the Johnson Bayou substation. The estimated cost of the project is \$49,800 which is to be started and completed in January 2014. Architectural and engineering services of \$4,228 had been paid for the project as of December 31, 2013.

## SUPPLEMENTARY INFORMATION

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Schedule of Compensation Paid Board Commissioners  
For the Year Ended December 31, 2013**

The board of commissioners received no compensation for the year ended December 31, 2013.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Board of Commissioners  
Cameron Parish Ambulance District No. 2  
Hackberry, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Cameron Parish Ambulance District No. 2, as of and for the year ended December 31, 2013 and the year then ended, and the related notes to the financial statements, which collectively comprise the Cameron Parish Ambulance District No. 2's basic financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cameron Parish Ambulance District No. 2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cameron Parish Ambulance District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Cameron Parish Ambulance District No. 2 in a separate letter dated June 30, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

Sulphur, Louisiana

June 30, 2014

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Schedule of Findings  
For the Year Ended December 31, 2013**

We have audited the financial statements of the Cameron Parish Ambulance District No. 2 for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2013 resulted in an unmodified opinion.

**Section I – Summary of Auditor's Report**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses ☐ Yes ☒ No      Significant Deficiencies ☐ Yes ☒ No

**Compliance**

Noncompliance Material to Financial Statements ☐ Yes ☒ No

**b. Management Letter**

A Management Letter was issued for the year ended December 31, 2013.

**Section II – Financial Statement Findings**

There were no current year financial statement findings.



**Cameron Parish Ambulance District No. 2**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended December 31, 2013**

<b>Ref No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>
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**Section 1 - Internal Control and Compliance Material to the Financial Statements:**

There were no prior year audit findings.

This schedule is prepared by management.

*McMullen and Mancuso*  
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June 30, 2014

Management and  
The Board of Commissioners  
Cameron Parish Ambulance District No. 2  
Hackberry, Louisiana

In planning and performing our audit of the financial statements of the Cameron Parish Ambulance District No. 2 for the year ended December 31, 2013, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated June 30, 2014 on the financial statements of the Cameron Parish Ambulance District No. 2.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

**Reduce Large Balances in Checking Accounts**

The District has had a large balance in the checking account for an extended period of time. With strong budget control over expected cash needs and adequate cash projections, such funds could be deposited in higher-yielding accounts or investment accounts. We recommend that management investigate the possibility of investing some of the cash in investments or other accounts, such as the Louisiana Asset Management Pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

We wish to thank the Executive Director for her support and assistance during our audit.

The preceding comments and recommendations are intended solely for the information and use of the Board of Commissioners and management, and are not intended to be and should not be used by anyone other than the specified parties.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

**CAMERON PARISH AMBULANCE DISTRICT NO. 2**

**Management's Corrective Action Plan**

**For the Year Ended December 31, 2013**

<b>Ref No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>	<b>Corrective Action Planned</b>	<b>Name of Contact Person</b>	<b>Anticipated Completion Date</b>
<b><u>ML 1</u></b>	<b>2013</b>	The District has had a large balance in the checking account for an extended period of time. We recommend the possibility of investing some of the cash in investments or other accounts.	No	Management agrees with the auditors' suggestion. The Board of Commissioners will investigate investment opportunities.	Rhonda Coleman, Executive Director	12/31/2014